



**For Immediate Release**  
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### **BOE Chairman Jerome E. Horton is Optimistic About Governor's New Job Stimulus Package**

Responding to Governor Jerry Brown's signing of AB 93 (as amended by SB 90) Jerome E. Horton, Chairman of the State Board of Equalization today said:

*"This new tax incentive program basically reprioritizes existing tax benefits available for job creation. The new plan would exchange some tax incentives designed to direct jobs to economically challenged communities for tax benefits that could create jobs statewide. The hope is more middle class jobs will be created at a time when population growth exceeds the rate of job creation. I am hopeful that this reprioritization will continue to benefit disadvantaged communities, and I stand ready to help California businesses take full advantage of them."*

BOE staff has begun planning for the largest component of this package, the manufacturing and research and development equipment sales and use tax exemption.

California companies may claim the 4.1875 percent sales and use tax exemption on certain manufacturing and research and development equipment purchases made on or after July 1, 2014. This new law applies the exemption to qualifying companies throughout the state, without regard to geographic boundaries, allowing more companies to enjoy everything California has to offer.

For example, a qualifying company that purchases \$25 million in equipment can expect an exemption from state sales and use tax of approximately \$1 million. In other words, **for each \$1 million of such expenditures up to \$200 million, qualifying companies can retain almost \$42,000.** Even a small business can save \$41.88 on every \$1,000 in qualified purchases.

BOE staff will develop a regulation to help businesses understand what manufacturing, processing, or refining equipment qualifies for the sales tax exemption.

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Elected in 2010, Chairman Jerome E. Horton is the Fourth District Member of the California State Board of Equalization, representing more than 8.5 million residents in Los Angeles County. He is also the Board of Equalization's Legislative Committee Chairman. He is the first to serve on the Board of Equalization with over 21 years of experience at the BOE. Horton previously served as an Assembly Member of the California State Assembly from 2000-2006.

The five-member California State Board of Equalization is a publicly elected tax board. The Board of Equalization collects more than \$53.7 billion annually in taxes and fees supporting state and local government services. It hears business tax appeals, acts as the appellate body for franchise and personal income tax appeals, and serves a significant role in the assessment and administration of property taxes. For more information on other taxes and fees in California, visit [www.taxes.ca.gov](http://www.taxes.ca.gov).

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